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We Built It, And They Came

A Response to the Pioneer Institute's February 1997 "White Paper" on the Proposed New Convention Center in Boston

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A RESPONSE TO THE PIONEER INSTITUTE'S "WHITE PAPER"

The Pioneer Institute's February 1997 "*White Paper*" (*If We Build It, Will They Come?*) questions the viability of the proposed new convention center in South Boston by challenging the economic productivity of the Hynes Convention Center.

The self-proclaimed purpose of the *White Paper* is to "question[] assumptions that underlie the debate" about a new facility by raising "three central questions." They are: (1) "How does Boston compare to other cities in the contemporary convention center 'space race'?" (2) "How accurately have other cities forecast the benefits of convention center development?" (3) "How did the investment in expanding the Hynes affect the city's convention business and redeem the promises of the early eighties?"

The purpose of this memorandum is to respond to the *White Paper's* answers to each of these questions. We think that the first and third questions are relevant to the current review of a new facility, although the *White Paper's* answers are wide of the mark. The second question is of dubious relevance, and the *White Paper* itself all but says so.

"How does Boston compare to other cities in the contemporary convention center 'space race'?"

In answering the first question it poses, the *White Paper* chronicles the enormous expansion of convention center development across the nation, including major convention destinations that have accomplished several expansions since 1988, when the reconstructed Hynes opened.

The *White Paper*, for example, notes expansions in venues including Chicago, Atlanta, Orlando, San Francisco, Las Vegas, and Washington, D.C., as well as aggregate nationwide figures on spending and expansion in recent years. The *White Paper* correctly notes that other major convention destinations "pour revenues into center expansion like clockwork," and that the convention facility "expansion cycles are far shorter in time and larger in scope than Boston has managed or is likely to in the future."

While other convention destinations have responded (and are currently responding) to the steadily increasing demand for convention space by constructing major facility expansions, Massachusetts has stood still since 1988. The dynamic growth of convention facilities elsewhere, in contrast to Boston's stagnation, leads the *White Paper* to question "whether it is plausible for other communities [presumably, including Boston] to compete on the basis of size and space." The implicit answer, although the *White Paper* never quite states a conclusion, is that it is not plausible for Boston to compete. The *White Paper* starts by turning up its analytical nose at the various consultant studies (by Price Waterhouse, Coopers & Lybrand, and the Boston Redevelopment Authority) which say otherwise.

Of course, the very purpose of the consultant studies discounted by the *White Paper* is to analyze the trade show/convention marketplace (i.e., the number of events, their space

requirements, and their locational preferences, as well as the growth trends in the industry), review and compare the resources of major convention destinations, including Boston (utilizing such measures as hotel room supply, air access, household buying power, restaurants, downtown office space, residential population, and more), examine the use of the existing facility, and project the demand for Boston as a meeting venue if we provide a larger facility. The *White Paper* neither refutes these analyses nor proffers any alternative methodology for projecting demand.

Rather, the *White Paper* simply suggests that if so many other destinations are building additional convention/trade show space, *maybe* it is not "plausible" to compete.

Given the depth of analysis in the other studies, and the utter lack of any analysis by the *White Paper* as to the demand for convention/trade show space in Boston, it would at the least seem incumbent on the *White Paper* to have answered directly its own question: How *does* Boston compare to other cities in the amount of space offered at its convention center? The omitted answer is this:

> **As of 1996, the Hynes Convention Center ranked as the 59th largest in the country. If only prime exhibition space is taken into account, the 193,000-square-foot Hynes ranks 72nd, tied with the Will Rogers Memorial Center in Fort Worth, Tex., and just ahead of the Gatlinburg (Tenn.) Convention Center.**[1]

Boston is the 7th largest metropolitan area in America. Recently, the Chicago *Tribune* published the results of a survey, based on 1995 figures, of convention attendance in U.S. cities, ranking Boston 9th, with a total attendance of 1.21 million.[2] Given Boston's obvious attraction as a major convention/trade show destination, the *White Paper's* query should be turned around: Is it plausible for Boston to limit our conventions and trade shows to events which can fit into the 59th largest facility in the country?

> **"How accurately have other cities forecast the benefits of convention center development?"**

In answer to the second question it poses, the *White Paper* concludes that some forecasts have been accurate, while others have not. The *White Paper* gives little reason to doubt that numerous expansions of convention facilities in other cities have proved their worth. It then goes

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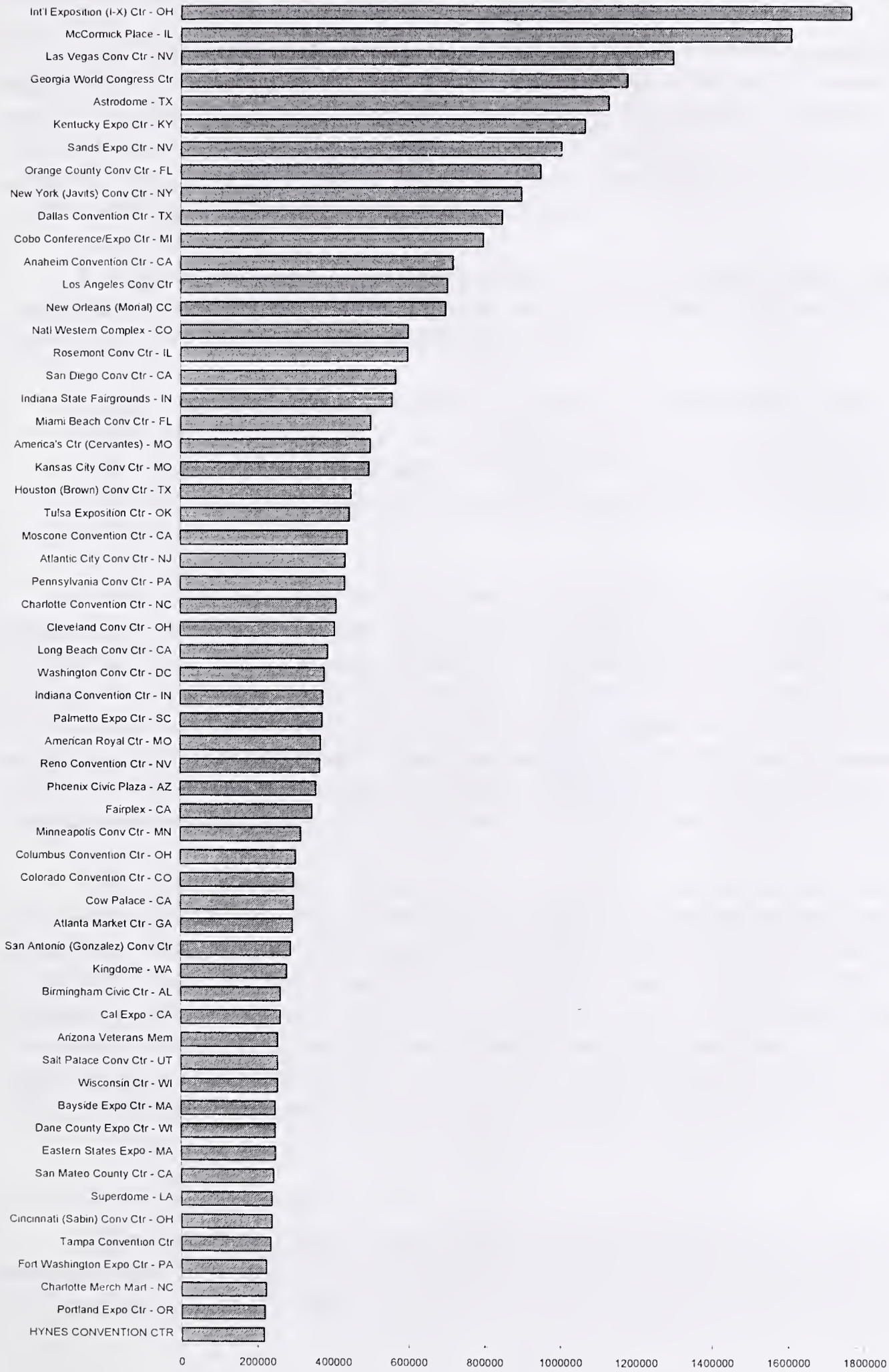
[1]*Tradeshow Week's Major Exhibit Hall Directory: 1996.* See table, next page.

[2]This figure includes the Hynes as well as other venues (World Trade Center, Bayside Exposition Center, and hotels). Boston's dramatically high ranking is particularly noteworthy because every one of the cities with a higher attendance has a convention/trade show facility at least twice the size of the Hynes.

Exhibit Halls Ranked by Total Square Feet of 1996 Exhibit Space



Source: Tradeshow Week's Major Exhibit Hall Directory 1996

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on to point out that "sometimes the rosy future does not come to pass," citing centers which the *White Paper* deems to have shown lackluster performance.

The *White Paper* itself seems to doubt that the question of less-than-hoped-for results in some cities is a central issue, after all, or that it even has much relevance to Boston. Somewhat lamely, the *White Paper* notes, "The recent experience of Los Angeles, Sacramento, Tampa, or Houston may not be repeated in Boston." Indeed, the geographies, economies, attractions as a convention venue, facility locations, and competitive environments of these and other cities cited by the *White Paper* are markedly different from Boston.

It is important to note, however, that lessons which can be learned from experiences elsewhere *have* been applied in the siting of a new facility in Boston. In particular, as the *White Paper* puts it, case studies of difficulties in some cities

> should raise some cautionary flags for any other city contemplating a major building effort. Those flags should be particularly high where a center is proposed on a distant or undeveloped site with an absence of nearby hotels. Those anticipated new hotels have a way of not happening in today's development marketplace, even with direct public subsidies.[3]

There has, in fact, been intensive scrutiny (by the MCCA, the BRA, the special commission created by the Legislature, community groups, and the *ad hoc* task force of State and City representatives) of the appropriate site for a new facility. Initially, the BRA in 1992 proposed the so-called South Bay site, but later concluded that site was too isolated. Ultimately, the BRA proposed the South Boston site. Other sites, including the so-called CrossTown site, were examined by the Legislature's special commission, which likewise recommended the BRA's South Boston site. The MCCA, the *ad hoc* task force, tourism industry groups, and community representatives from South Boston have all expressed support for this site.

Indeed, the selection of the South Boston site reflects due heed to the "cautionary flags" noted in the *White Paper*. Both South Bay and CrossTown were rejected, after due deliberation, as being too closely similar to less-than-successful sites in other cities which were, in the words of the *White Paper*, "distant or undeveloped . . . with an absence of nearby hotels." The South Boston site is close to a soon-to-be-completed 427-room hotel; minutes from the airport and downtown; one block from the new World Trade Center Transitway Station; a ten-minute walk from the Red Line and commuter rail service; and -- perhaps most importantly -- in the path of likely commercial development forecast to occur whether or not the facility is built.

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[3]The *White Paper* refers, in this context, to "[t]he growing number of convention centers that are in fiscal difficulty." However, it offers no definition of "fiscal difficulty," and no figures to support the conclusion that the number of facilities meeting that definition is growing.

This last point -- that the new facility is planned for an area of likely commercial development -- differentiates this site from some, in other cities, where planners pinned their hopes on adjacent development in otherwise desolate areas. Planners in Boston have done no such thing. The 1995 Price Waterhouse study, contracted by the MCCA on behalf of the Legislature's special commission, specifically reviewed the development impacts (or, rather, the lack of development impacts) that had followed on the construction of convention facilities in six cities, to underscore the point that a convention center should not be built in an area with low potential for tourism-related development in the hope of spurring such development. The selection of the South Boston site heeds this warning. As noted by the BRA, when it recommended this site in 1994,

> With the development of the new federal courthouse, along with the World Trade Center complex of convention space, hotel, and parking, the area immediately across the Fort Point Channel [i.e., the proposed site] is drawing more and more of the uses characterized by a downtown economy. . . .
>
> There are many compatible uses already in the immediate area or under development, including waterfront restaurants and museums. Also, a new hotel is planned at the World Trade Center.[4]

Few would argue against the proposition that the construction of the Hynes Convention Center has enhanced and speeded the commercial development along Newbury Street, Boylston Street, and the Prudential Center area -- which, like the proposed site for the new facility today, stood in the path of likely commercial development. Sited in the right place -- like the Hynes in the 1980s and the proposed South Boston facility today -- a new convention facility is likely to energize development. Both the BRA and the *ad hoc* task force forecast that new hotel rooms will be constructed (a reasonable view, given current high occupancy rates, high room rates, and increased demand that is likely from a new center).

Nevertheless, the MCCA and its consultant (Price Waterhouse) have been extremely conservative in making assumptions regarding the development impacts of a new convention center. In projecting attendance at a new facility, Price Waterhouse assumed *no* new hotels would be built. The rationale for making projections on this basis is precisely to ensure that a decision on whether to construct the new facility not be premised on events (such as whether private developers choose to build hotels) which cannot be readily controlled or conclusively predicted.

In summary, we think the *White Paper* is misguided in suggesting that the siting decision

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[4]Boston Redevelopment Authority, "Site and Market Analysis for Boston's New Exposition Center and Stadium: Interim Report," October 1994, pp.31-32. The hotel is now under construction.

for a new facility in Boston has parallels in decisions elsewhere to place convention centers in blighted or isolated areas with no infrastructure and no access to hotels or other amenities. We think that the lengthy, public review process that has gone into selecting a site in Boston has yielded a choice which will be an eminently marketable, and hence successful, convention venue.

"How did the investment in expanding the Hynes affect the city's convention business and redeem the promises of the early eighties?"

The third question posed by the *White Paper* is, indeed, important. We agree, as the *White Paper* states, that the history of the Hynes does indeed "provide a clear sense of the city's capacity to compete in the highly competitive national convention marketplace." Or, as the *White Paper* elsewhere puts it, "The most relevant evidence on Boston's likely convention future comes from its past."

The *White Paper* finds that "[t]here has been no discernible gain in attendance from the investment in expansion" of the Hynes; that "it is not evident" that there has been "any real increase" in the number of trade shows and conventions held at the Hynes as a result of expansion; that "the attendance at the Hynes has been flat" since 1988, when the renovated convention center opened; and that "there is not any indication of an increase in hotel room use directly attributable to the 1988 Hynes expansion." The *White Paper* suggests that the figures on the number of events held at the new Hynes "suggest the absence of any substantive return on the Commonwealth's investment of $200 million in long term debt for the expansion."

These would be sobering findings indeed, if they were accurate. But they are not. The *White Paper* seems to have cobbled together data from different studies which apparently used different methodologies and definitions. While acknowledging in one instance that "it is difficult to reconcile the divergent figures" of two of the studies, the *White Paper* reflects no systematic reconciliation (through interviews, reviews of work papers, or analysis of raw data) of the various studies it seeks to compare.

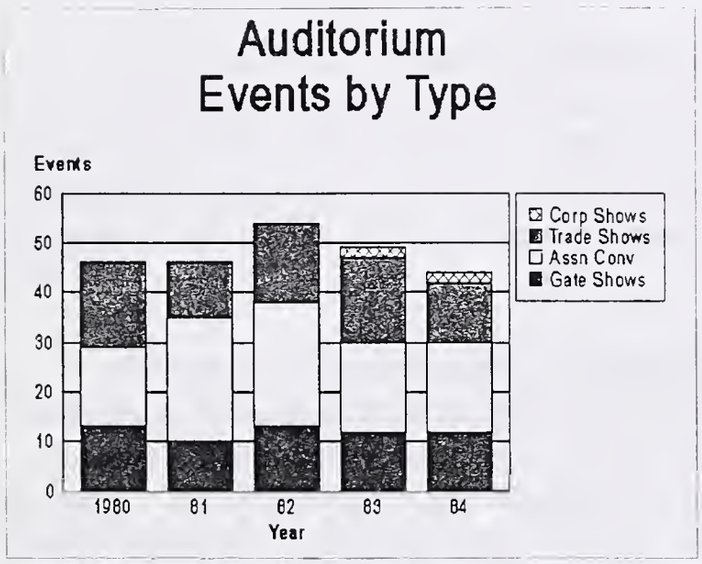
The most stunning lapse in the *White Paper's* analysis is its failure to have discerned the existence of the World Trade Center or Bayside Exposition Center. Omitting to account for the interplay between these two privately-operated facilities and the Hynes renders the *White Paper's* conclusions all but worthless.

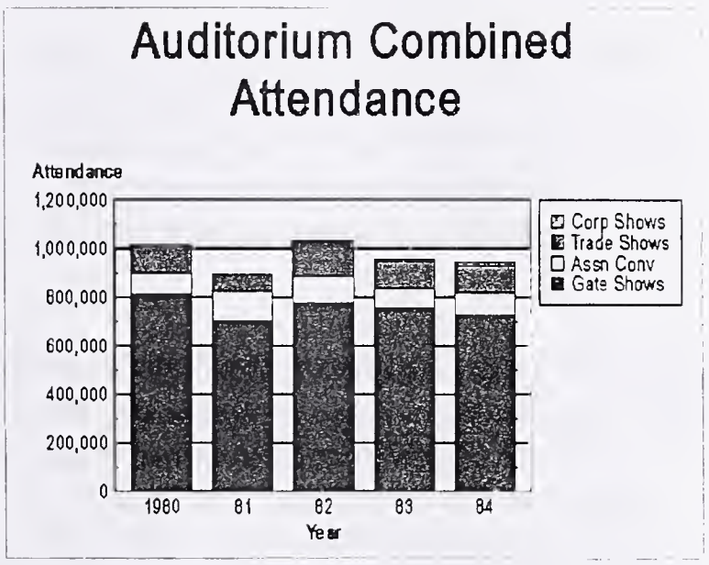
First, a brief history. The Hynes Auditorium was built in 1965 in the classic model of a civic auditorium, with what seemed (at the time) a large amount of relatively open exhibition space (130,000 square feet) and a few meeting rooms (in the case of the Auditorium, 10 in all). All kinds of events were held there, but most Bostonians will fondly remember attending the New England Auto Show, the Home Show, or the Boston Boat Show there through the early 1980's. Indeed, three-quarters of the visitors to the Auditorium each year from 1980 until 1984 were attending such "gate shows." (A "gate show" is a consumer show at which attendees typically pay for a ticket at the gate, producing revenue for the show sponsor and the facility

owner; however, gate shows do not have much effect on the local economy, since the show does not bring in much out-of-state money nor induce many people to stay at hotels.) The Auto Show alone accounted for 300,000 attendees a year at the Auditorium.

The Auditorium, during the period 1980 - 1984, was also able to attract some smaller "trade shows" (events usually open to the members of a particular trade association or representatives of businesses within a particular industry; such events usually require open exhibition space but relatively few meeting rooms); the Auditorium was also able to attract some "association conventions" (the annual membership meetings of professional associations, often requiring more meeting-room space and less exhibition space than trade shows).

In 1980, the Auditorium hosted 17 trade shows with a combined total attendance of 108,200; 16 association conventions with a combined total attendance of 89,500; and 13 gate shows, with a combined total attendance of 816,000. Of these 1,013,700 visitors to the Auditorium that year, *80% attended gate shows* -- 300,000 of them going to just one show, the New England Auto Show.





Figures for 1983 and 1984 (the last full year before the Auditorium was closed) proved quite similar. In 1983, the Auditorium hosted 17 trade shows (113,200 attendees); 18 association conventions (85,850 attendees); two major corporate shows (merchandising or training events restricted to participants from one corporation), with 6,000 attendees; and 12 gate shows (756,000 attendees). Total attendance at these events in 1983 was 961,050, with *79% going to gate shows*. In 1984, the Auditorium hosted 12 trade shows (118,800 attendees); 18 association conventions (92,750 attendees); two major corporate shows (9,800 attendees), and 12 gate shows (726,000 attendees). Total 1984 attendance at these events was 947,350, of which *77% went to gate shows*.

In 1985, the Auditorium was closed and a $200-million transformation commenced. The new Hynes Convention Center opened on schedule in January, 1988. Prior to the reopening, the MCCA had undertaken a massive marketing campaign to lure trade shows and conventions to Boston. This effort struck to the core of the MCCA's statutory purpose, the very reason for transforming the Auditorium into a convention center: so that "national and international conventions could be induced to locate their activities within the commonwealth," thereby "attracting nonresident visitors" who "may be expected to take advantage of the many fine hotels, restaurants, entertainment establishments and stores within the commonwealth, which will in turn generate revenues to the commonwealth through existing room occupancy, meals and sales taxes."[5]

During this period, two new Boston venues opened shop. Both were privately operated. The Bayside Exposition Center, with 250,000 square feet of exposition space, opened in 1983. In 1986, the World Trade Center opened with 120,000 square feet of exposition space and 24 meeting rooms.

When the Hynes reopened in 1988 as a convention center, little was left to remind one of the old Auditorium. The transformation resulted in one of the most elegant, state-of-the-art convention facilities in the country. The new Hynes Convention Center had 193,000 square feet of exhibition space and 41 well-appointed meeting rooms. Boston could, for the first time, compete for a new range of mid-sized national and regional trade shows and conventions. And it did.

Moreover, in a development completely ignored by the *White Paper*, the Hynes was able to turn most of its gate show business over to the two private venues -- Bayside and World Trade -- to make room for new business for which only a facility like the new convention center could compete. The Home Show, the Boat Show, and the Camping and Trailer Show moved to the World Trade Center; the Auto Show and the Boston *Globe* Book Fair moved to Bayside. Thus any total attendance figures for the Hynes must take account of the fact that the MCCA, through the application of a booking policy designed to preserve the facility for conventions and trade shows, sent business amounting to *550,000 attendees per year* to the two private venues. That business alone accounted for three-fifths of the Hynes attendees before the reconstruction.

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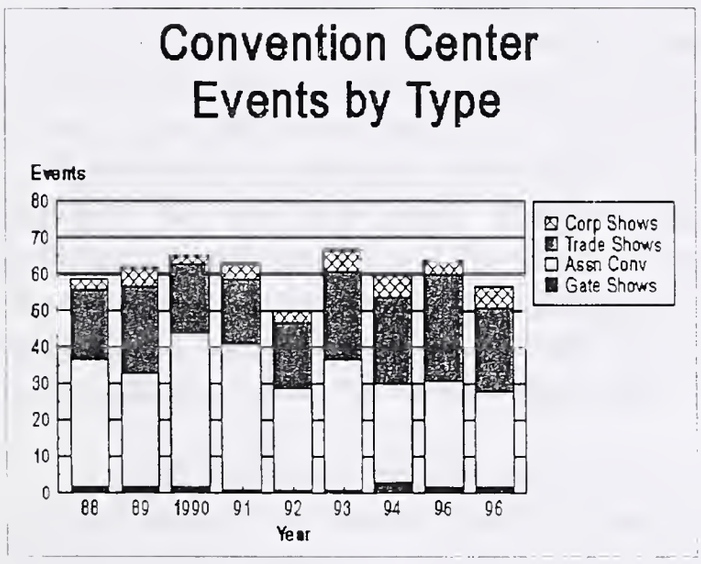
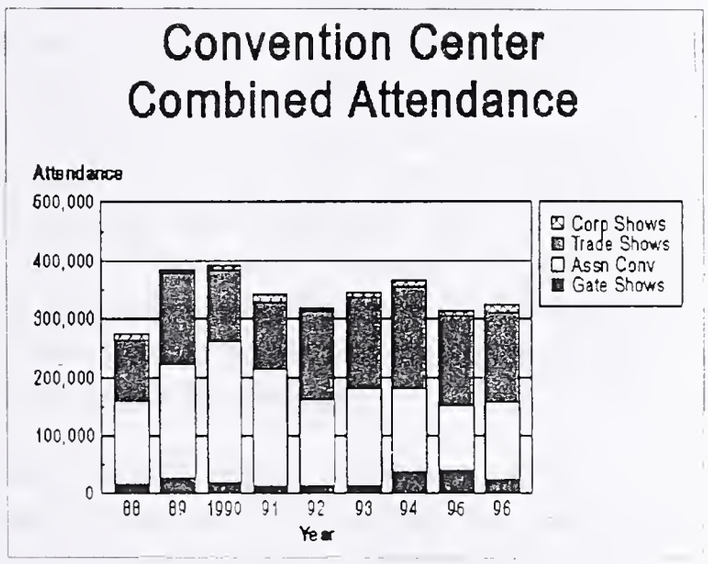
[5]Acts of 1982, c.190, §31. In putting this statutory mandate into effect, the MCCA adopted and over the years has refined a "booking policy." A group seeking to book space in the convention center may not do so, more than two years in advance, unless it simultaneously reserves at least 1,000 rooms in Boston-area hotels. The aim (and effect) of this policy is to maximize the economic impact of events at the Hynes. A collateral effect is that the Hynes does not accommodate major gate shows, which typically want commitments over a period of several years for the same dates each year. Those shows go instead to Bayside or World Trade.

In 1988, the year the new Hynes Convention Center opened for business, the total number of trade shows, association conventions, and corporate events jumped to 57 (up from 32 in 1984, the last year of Auditorium operations), with a combined attendance of 259,000 (a 17% increase over the 1984 figure). This is a dramatically successful first-year performance, with the bookings coming close to achieving the practical capacity of the new facility. But an examination of the meeting and exhibition space used by these events points to another important development overlooked by the *White Paper*: *twenty-one* of these high-economic impact events -- the trade shows, conventions and corporate shows which bring in out-of-staters and , in the lingo of the tourism industry, put "heads on beds" and "elbows on tables" -- *could not have fit in the old Auditorium!* They simply used too much meeting or exhibition space. These 21 events, which most likely would never have come to Boston without the reconstruction, accounted for 111,000 of the tradeshow/convention/corporate meeting attendees in 1988, more than 40% of the total.

And that story was repeated year in and year out. As can be seen by reviewing data for 1988 through 1996, trade show/association convention/corporate show attendance at the Hynes Convention Center has stabilized at approximately 300,000 per year (essentially a *45% increase* over the Auditorium attendance at such events). The number of such events hovers in the vicinity of 55 per year (a *72% increase* over 1984). But, most significantly, most of the trade show/association conventions/corporate show events held in the Hynes Convention Center *could not have been accommodated* in the old Auditorium. Of the 55 such events held in the Hynes in 1996, with a combined attendance of just under 300,000, fully 36 -- two-thirds of them -- would not have been able to fit in the Auditorium.





The Hynes' track record of increasing both the overall number of trade shows/conventions/corporate shows and the attendance at such events -- attendance, primarily from out-of-staters, which adds fuel to the local economy -- is all the more remarkable because trade shows and conventions which do not fill a lot of hotel rooms are routinely turned away

from the Hynes (often booking at the World Trade Center). Under the Authority's booking policy, a group may not reserve the Hynes more than two years in advance unless it simultaneously blocks at least 1,000 rooms in Boston-area hotels. This policy maximizes the economic impact of the Hynes by giving priority to events which will attract the most out-of-state attendees. At the same time, the two private venues -- Bayside and World Trade -- have prospered under this policy.[6] A 1995 survey by *MeetingNews* magazine ranked the World Trade Center No. 1 in the country by the number of events (on this account, the Hynes ranked 21). As the World Trade Center's director of sales told *MeetingNews*, "We're not held to a minimum number of room nights by a convention and visitors bureau. Groups who don't use a lot of sleeping rooms like this."

The *White Paper*, in summary, ignores fundamental facts, starting with the opening of Bayside and World Trade. As a consequence of the MCCA's booking policy to maximize the economic impact of the Hynes, most of the attendance at the old Auditorium shifted to the private venues. The *White Paper* also fails to recognize that most of the out-of-state attendance at the new Hynes Convention Center could not have been accommodated at the old Auditorium. In ignoring these facts, the *White Paper* misses a key lesson: the Hynes Convention Center now generates almost completely new business that would have been lost to the Commonwealth without the investment in the reconstruction.[7]

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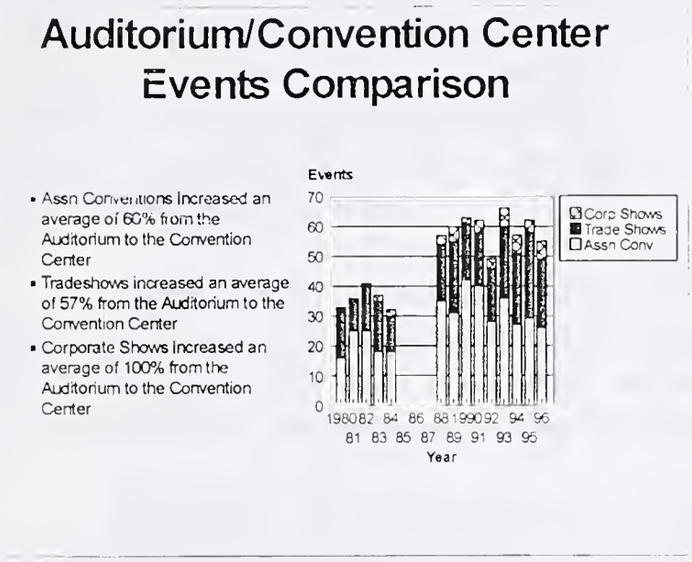
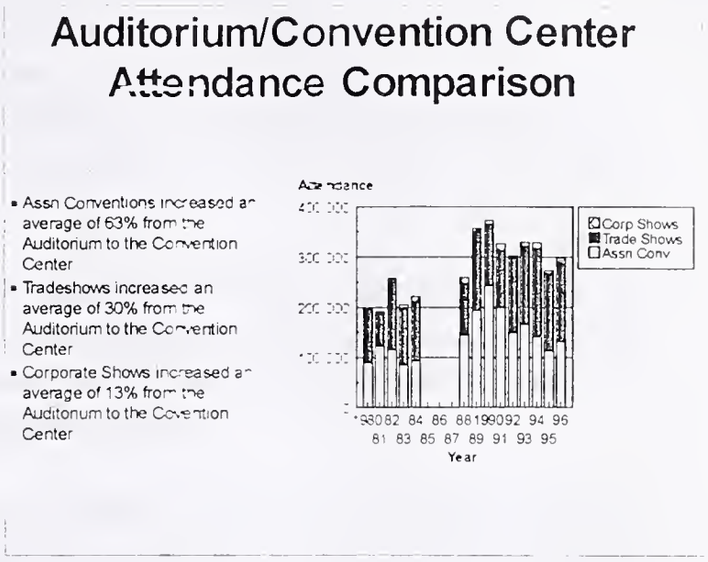
[6]Large conventions, requiring hundreds of hotel rooms, must nail down their venue and hotel block at least two years in advance. Many, in fact, book space several years in advance. As a practical matter, if space at the Hynes has not been reserved more than two years in advance, that space is unlikely to be booked by such a large convention. For this reason, the Authority will rent space to smaller events (giving priority to those with the largest hotel blocks) within the two-year time frame. The Hynes backfills space that has not been booked by major conventions, trade shows, and corporate meetings -- that is, the rooms not rented for a particular large event, or the time between the move-out of one major show and the move-in of another -- by renting to some 100 to 125 additional events per year, ranging from the annual First Night (when upwards of 50,000 people pass through) to small corporate seminars.

[7]Those in the business of marketing the Hynes, and indeed anyone familiar with the competition in the convention business, can only shake their heads at the implicit proposition in the *White Paper* that show planners today would be willing to consider, as a venue for a major trade show or convention, the dank and cramped surroundings of the old Hynes Auditorium. Without a competitive facility like the Hynes Convention Center, Boston would have effectively turned away hundreds of thousands of out-of-state visitors to events that simply would not have been held in the Commonwealth. Even New England-based events like the Yankee Dental Congress would have been severely constrained -- with limits on attendance and economic impact -- had the Hynes not grown to accommodate them.

The *White Paper*, in addition, gets some key facts wrong. Trade show and convention attendance is *up* at the Convention Center in comparison to the old Auditorium. So is the number of such events, contrary to what the *White Paper* maintains.





The *White Paper* also views history through an oddly distorted lens. For example, it derides the "flat" attendance at the Hynes since the 1988 opening of the new convention center. It is indeed the case that combined convention and trade show attendance increased sharply in 1988 (over the pre-closing 1984 figure), then quickly rose to approximately 300,000 per year, and has remained at this level. The *White Paper* fails to recognize that this attendance figure -- tied to the approximately 55 trade shows, conventions, and corporate shows hosted by the Hynes each year -- represents the practical capacity of the convention center. Major events which occupy much or all of the facility require several days to set up, then run for three or four days, and then take an additional several days to move out. During this time, another major show is physically unable to use the facility. Moreover, a few days are likely to elapse before the next event starts to move in -- with the intervening period lasting too short a time to accommodate the full cycle of a major event. Thus, the "dark days" between two events are available to smaller shows, but not to major, high-attendance events. The Hynes has achieved its practical capacity almost from the start. *That* is why attendance is "flat."

In short, the *White Paper*, in suggesting that attendance at the Hynes has not grown at the pace of nationwide figures, turns reality on its head: there is no place to put more or larger conventions. The Hynes Convention Center, from the time it opened its doors in 1988 to the present, has been a sold out. It remains solidly booked for the foreseeable future.

Finally, the *White Paper* discerns no increase in hotel occupancy as a result of expanding the Hynes. This is, of course, the ultimate criticism of the reconstruction project, because the

purpose of expanding the Hynes -- and of building the new South Boston facility -- is to attract out-of-state visitors who stay at hotels and spend money at other Massachusetts businesses. It is, to be sure, difficult to pin down with precision the impact of the hundreds of thousands of out-of-state visitors that have come to conventions at the Hynes. Consultants and industry experts, relying on national survey data, estimate the percentages of visitors who stay in hotels, the average length of stay, and the amounts spent. But the *White Paper*, of course, chooses to accept none of these figures. Instead, the *White Paper* argues that room night consumption in Boston showed no marked increase in the years immediately following the re-opening of the Hynes, leading the *White Paper* to conclude that the reconstruction played no role in increasing the demand for hotel rooms.

One would do well to start by asking where those 300,000 Hynes attendees slept when they came to trade shows, association conventions and corporate meetings in Boston. On the street? Or, put another way, what would the consumption picture have been had the new convention center not been built? The *White Paper* has no answer.

The truth, as is so often the case, is more complicated. The tourism impact of Hynes attendance is not limited to Boston; attendees at large events may be bussed to and from hotels beyond Route 128. When conventioneers fill Boston hotels, a ripple effect send other tourists to hotels in neighboring cities and towns. Moreover, increased demand has tended to push Boston hotel prices to the high end among convention cities. The *White Paper* misses the key point: high prices reflect a very strong demand, to which the Hynes has contributed. Finally, it must be noted that attendance at the Hynes is only one piece of the puzzle, and not the largest; the *White Paper* acknowledges that Hynes attendance represents only a fraction of the overall hotel consumption by Massachusetts visitors. Other factors -- including the state of the economy, which affects both business and pleasure travel -- tend to dominate the room consumption picture. The importance of convention attendance is that, particularly for the hotel industry, it represents a relatively stable, predictable base of revenue that can be locked in years in advance, providing insurance against less predictable influences on tourism.

Bearing these considerations in mind, it is hard to look at the Commonwealth's room occupancy tax collections over an extended period without attributing some effect to the opening of the Hynes Convention Center.[8] From FY 1977 through FY 1987 (the last before the new convention center opened), State room occupancy tax collections increased an average of 13% per year, amounting to $39.7 million in FY 1987. The following year -- in which the new convention center opened -- the State's revenue from this tax jumped a staggering 26.4% -- an *increase* of $10.5 million. That represented the largest annual increase ever in the history of this tax. The following year, the State's collections rose *another* $7.9 million, the second largest increase. Should one conclude that the Hynes is solely responsible for these increases? Obviously not; other economic factors contribute both to increased demand and (as in the period

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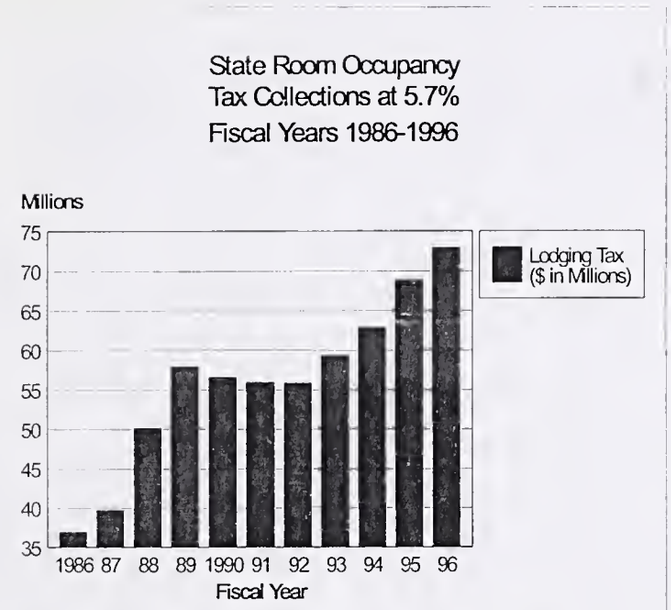
[8]The State collects 5.7% on the amount paid for rooms at most lodgings.

1990 through 1992, when revenues dipped slightly during a recessionary period)[9] periodic decreases. However, it exhausts credulity to suggest, as does the *White Paper*, that the increased demand stemming from Hynes attendance has no economic return for the Commonwealth. By this logic, attendance at the Hynes neither contributed to the overall upswing in State room occupancy revenues nor softened the subsequent recessionary downturn. Leave to one side the various consultant reports; such a conclusion defies common sense.



Dept. Of Revenue, Room Occupancy Revenue Report for FY 1996 (Nov., 1996)

In conclusion, we think the evidence is clear that the Legislature made a wise decision when it voted, in 1982, to replace the Hynes Auditorium with a modern convention center. Without this investment, a great deal of economic activity would simply not have occurred in the Commonwealth, as conventions and trade shows passed us by for other destinations.

And that situation now faces us today. The Hynes Convention Center (unlike the old Auditorium) is manifestly not an outdated relic; the convention center, which occupies an important niche in the market, will continue to be filled with conventions and trade shows whether or not a new facility is built. However, a large and growing amount of convention business now bypasses Boston because the Hynes is too small to provide space. Of the 49 trade shows and association conventions at the Hynes in 1996, nearly one-third (15 events) used all 193,000 square feet of exhibition space in the building. As these events grow, they will not be able to return to Boston unless a new facility is built which can accommodate them. It is no less true today than it was in 1982, when the Legislature declared, in voting to proceed with the reconstruction of the Hynes:

> By attracting nonresident visitors to the commonwealth through the development of a suitable convention center, it is expected that substantial economic development will be stimulated in such tourism-related industries as transportation, hotels, restaurants, recreation, entertainment and retail sales establishments. Stimulation of these industries will in turn promote the overall economic development of the commonwealth and will provide new and enhanced employment opportunities for our citizens. In addition, the development of a suitable convention center will further promote the economic health of the commonwealth by encouraging private investment and development within the

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[9]These dips started with -2.2% in FY 1990 and ended with -0.2% in FY 1992. Thereafter, the trend has gone steadily upwards. Even at the 1992 low point of $55.9 million, revenues remained $16 million higher than FY 1987, the last year before the convention center opened.

immediate area of the convention center. Thus, the development of a convention center will increase the tax base, provide important, new employment opportunities and otherwise benefit the general welfare of the citizens of the commonwealth.[10]

[An Appendix, containing data on events at the Auditorium and the Convention Center, 1980 - 1996, is available on request from the Massachusetts Convention Center Authority.]

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[10]Acts of 1982, c.190, §31.